



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION
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LOS ANGELES, CA 90012



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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD CONTRACT FOR
PERSONAL PROPERTY AUCTIONEERING SERVICES
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached Contract (Exhibit 1) with CHP Enterprises, d.b.a. Ken Porter Auctions (KPA), to provide personal property auctioneering services to the Treasurer and Tax Collector (TTC) commencing upon the date of Board of Supervisors' approval, at a Commission Rate of up to a maximum of 25% of gross sales and a Buyer's Premium of up to a maximum of 15%;
2. Delegate authority to the Treasurer and Tax Collector to execute future amendments to extend the Contract for a maximum of four (4) one-year renewals and six (6) month-to-month extensions at the option of the TTC in accordance with the Term of the Contract; and
3. Delegate authority to the Treasurer and Tax Collector to execute future amendments to modify the terms of the Statement of Work that do not materially alter the Contract, and/or to add and/or change certain terms and conditions in the Contract as required by the Board of Supervisors or Chief Administrative Officer, provided County Counsel approval is obtained prior to execution of such amendments.
4. Delegate authority to the Treasurer and Tax Collector to approve if necessary, any assignment and delegation of services performed by KPA, in order to ensure continuation of the personal property auctioneering service needs to meet TTC's

fiduciary obligations to conservatee and decedent estates under its administration provided that County Counsel approval is obtained prior to such assignment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The California Probate Code requires the Public Administrator of each county to take charge of and administer decedent estates for which no personal representative has been appointed. The Treasurer and Tax Collector (TTC) serves as the Public Administrator of Los Angeles County and, under contract, also provides administrative services to the County Public Guardian as representative of certain conservatee estates. The California Probate Code authorizes the Public Administrator to sell personal property of decedent or conservatee estates, when necessary for the best interest of the estates, either by public or private sale.

The Treasurer and Tax Collector (TTC) currently contracts with Nationwide Auction Systems (Nationwide), a private agency, to provide personal property auctioneering services. That contract expires December 31, 2006. The proposed Contract with KPA will ensure continuation of the personal property auctioneering service needs of the TTC. The recommended Contract will commence upon your Board's approval and provide for a transition period between contractors, allowing KPA to initiate the operational process for personal property auctioneering services and allow TTC to effectively terminate services with Nationwide on or before contract expiration.

Implementation of Strategic Plan Goals

The approval of this Contract is consistent with the County's Strategic Plan Goal of Organizational Effectiveness and Fiscal Responsibility. The recommended Contract provides for ongoing personal property auctioneering services.

FISCAL IMPACT/FINANCING

There is no net County cost, as the auctioneer will be paid a commission of up to a maximum of 25% of gross sales from each auction of estate assets. The buyers will also pay up to a maximum 15% fee as a premium on their purchase directly to the auctioneer. This buyer's premium does not financially impact the estates or the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Government Code Section 31000, the Board is authorized to contract for special services.

The Contract contains the County's required provisions, including the requirement for the Contractor to notify and assist its employees with the Federal Earned Income Tax Credit application process, the consideration of qualified GAIN/GROW participants for

employment openings, compliance with the Jury Duty Ordinance, Safely Surrender Baby Law, and Contractor notification to County when Contract is within six (6) months from expiration of term.

The recommended Contract with KPA is for a term of one (1) year with four (4) one-year and six (6) month-to-month extensions, for a maximum term of five (5) years and six (6) months. The Contractor is in compliance with all Board, Chief Administrative Office and County Counsel requirements.

KPA will not be asked to perform services that exceed the Contract Commission Rate, scope of work, or Contract dates of the Contract. The Contract expressly provides that the County has no obligation to pay for expenditures by KPA that exceed the maximum Contract Commission Rate. Additionally, the Contract contains performance standards, including liquidated damages for substandard and/or non-performance.

The attached Contract with KPA has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

TTC released a Request for Proposals (RFP) on April 28, 2006, which was subsequently canceled due to insufficient eligible proposals. It was deemed in the best interest of the County to re-solicit in an effort to obtain more proposals to engage in a more competitive solicitation process. Subsequently, TTC released a new RFP on July 28, 2006 to one hundred and twenty-seven (127) prospective proposers. The prospective proposers are listed in Attachment I, which consists of TTC's proposers list, vendors from the County's Office of Affirmative Action Compliance Community Business Enterprise Database, and Los Angeles County's online Website of vendors by commodity. A notice of the RFP was posted on the Los Angeles County Bid Website. In addition, the RFP was transmitted to the California State Auctioneers Association, representing approximately one hundred and eight (108) members and e-mailed to the Southern California Auctioneers Association, representing approximately fifty (50) members. A Mandatory Proposer's Conference was held at TTC's Warehouse on Thursday, August 17, 2006, with four (4) firms attending. The proposal submission due date was Thursday, September 7, 2006. One firm responded with a proposal by the due date: Ken Porter Auctions (KPA).

The proposal submitted by KPA met all of the minimum RFP requirements and was responsive to the RFP. The proposal was evaluated and rated by a committee according to their responsiveness to criteria included in the RFP. As required by TTC, the proposal submitted by KPA provided a description of KPA's qualifications, their proposed approach to provide services, and a quality control plan. KPA has verifiable experience providing government surplus auctions including, but not limited to, vehicles, and miscellaneous property for County of Los Angeles departments and other government entities.

Minority, Women, Disadvantaged or Disabled Veteran Business Enterprise statistical information for KPA is included in Attachment II. KPA is not a certified Small Business Enterprise (SBE)/Community Based Enterprise (CBE). The recommendation of KPA is made without regard to race, creed or color. There are no provisions for Cost Of Living Adjustment (COLA) in the attached Contract. This is not a Proposition A Contract; and therefore, is exempt from the Living Wage Program (County Code Chapter 2.201).

IMPACT ON CURRENT SERVICES

The current Contract for personal property auctioneering services expires on December 31, 2006. The recommended Contract will enable the Contractor to continue the provision of personal property auctioneering services for the TTC.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of the Contract and one (1) adopted Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:WMH
EVT:evt
Pers Prop Board Letter 11-2-06

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors